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UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

CANNAVEST CORP. a/k/a/ CV
SCIENCES, INC. and MICHAEL J.
MONA, JR.,

Defendants.

Case No. CV-17-01681-APG-PAL

**FINAL JUDGMENT AS
TO DEFENDANT CANNAVEST
CORP.**

1 The Securities and Exchange Commission (“SEC” or “Commission”) having
2 filed a Complaint and Defendant CannaVEST Corp. a/k/a/ CV Sciences, Inc.
3 (“CannaVEST” or “Defendant”) having entered a general appearance; consented to
4 the Court’s jurisdiction over Defendant and the subject matter of this action;
5 consented to entry of this Final Judgment without admitting or denying the
6 allegations of the Complaint (except as to jurisdiction); waived findings of fact and
7 conclusions of law; and waived any right to appeal from this Final Judgment:

8 **I.**

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
10 permanently restrained and enjoined from violating, directly or indirectly, Section
11 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. §
12 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using
13 any means or instrumentality of interstate commerce, or of the mails, or of any
14 facility of any national securities exchange, in connection with the purchase or sale of
15 any security:

- 16 (a) to employ any device, scheme, or artifice to defraud;
17 (b) to make any untrue statement of a material fact or to omit to state a
18 material fact necessary in order to make the statements made, in the light of the
19 circumstances under which they were made, not misleading; or
20 (c) to engage in any act, practice, or course of business which operates or
21 would operate as a fraud or deceit upon any person.

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
23 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
24 binds the following who receive actual notice of this Final Judgment by personal
25 service or otherwise: (a) Defendant’s officers, agents, servants, employees, and
26 attorneys; and (b) other persons in active concert or participation with Defendant or
27 with anyone described in (a).
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II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20 and 13a-13 thereunder, 17 C.F.R. §§ 240.12b-20 and 240.13a-13, by filing any quarterly report with the SEC on Form 10-Q that fails to contain such further material information as may be necessary to make the required statements in the Form 10-Q, in the light of the circumstances under which they are made, not misleading.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act, 15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B), by:

(a) failing to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of an issuer; or

(b) failing to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (1) transactions are executed in accordance with management's general or specific authorization; (2) transactions are recorded as necessary (i) to permit preparation of financial statements in conformity with generally accepted accounting principles (GAAP) or any other criteria applicable to such statements and (ii) to maintain

1 accountability for assets; (3) access to assets is permitted only in accordance
2 with management's general or specific authorization; and (4) the recorded
3 accountability for assets is compared with the existing assets at reasonable
4 intervals and appropriate action is taken with respect to any differences.

5 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
6 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
7 binds the following who receive actual notice of this Final Judgment by personal
8 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
9 attorneys; and (b) other persons in active concert or participation with Defendant or
10 with anyone described in (a).

11 IV.

12 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
13 shall pay a civil penalty in the amount of \$150,000 to the Securities and Exchange
14 Commission pursuant to Section 21(d)(3) of the Exchange Act, 15 U.S.C. §
15 78u(d)(3). Defendant shall make this payment pursuant to the terms of the payment
16 schedule set forth in paragraph V below after entry of this Final Judgment.

17 Defendant may transmit payment electronically to the SEC, which will provide
18 detailed ACH transfer/Fedwire instructions upon request. Payment may also be made
19 directly from a bank account via Pay.gov through the SEC website at
20 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified
21 check, bank cashier's check, or United States postal money order payable to the
22 Securities and Exchange Commission, which shall be delivered or mailed to

23 Enterprise Services Center

24 Accounts Receivable Branch

25 6500 South MacArthur Boulevard

26 Oklahoma City, OK 73169

27 and shall be accompanied by a letter identifying the case title, civil action number,
28 and name of this Court; CannaVEST as a defendant in this action; and specifying that

1 payment is made pursuant to this Final Judgment.

2 Defendant shall simultaneously transmit photocopies of evidence of payment
3 and case identifying information to the SEC's counsel in this action. By making
4 these payments, Defendant relinquishes all legal and equitable right, title, and interest
5 in such funds and no part of the funds shall be returned to Defendant. The SEC shall
6 send the funds paid pursuant to this Final Judgment to the United States Treasury.
7 Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28
8 USC § 1961.

9 **V.**

10 Defendant shall pay the penalty due of \$150,000 in 12 installments to the SEC
11 according to the following schedule: (1) \$12,500 within 30 days of entry of this Final
12 Judgment; (2) \$12,500 within 60 days of entry of this Final Judgment; (3) \$12,500
13 within 90 days of entry of this Final Judgment; (4) \$12,500 within 120 days of entry
14 of this Final Judgment; (5) \$12,500 within 150 days of entry of this Final Judgment;
15 (6) \$12,500 within 180 days of entry of this Final Judgment; (7) \$12,500 within 210
16 days of entry of this Final Judgment; (8) \$12,500 within 240 days of entry of this
17 Final Judgment; (9) \$12,500 within 270 days of entry of this Final Judgment; (10)
18 \$12,500 within 300 days of entry of this Final Judgment; (11) \$12,500 within 330
19 days of entry of this Final Judgment; and (12) \$12,500 within 360 days of entry of
20 this Final Judgment. Payments shall be deemed made on the date they are received
21 by the SEC and shall be applied first to post-judgment interest, which accrues
22 pursuant to 28 U.S.C. §1961 on any unpaid amounts due after 14 days of the entry of
23 Final Judgment. Prior to making the final payment set forth herein, Defendant shall
24 contact the staff of the SEC for the amount due for the final payment. If Defendant
25 fails to make any payment by the date agreed and/or in the amount agreed according
26 to the schedule set forth above, all outstanding payments under this Final Judgment,
27 including post-judgment interest, minus any payments made, shall become due and
28 payable immediately at the discretion of the staff of the SEC without further

1 application to the Court.

2 **VI.**

3 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
4 Consent of Defendant CannaVEST Corp. to Entry of Final Judgment is incorporated
5 herein with the same force and effect as if fully set forth herein, and that Defendant
6 shall comply with all of the undertakings and agreements set forth therein.

7 **VII.**

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
9 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this
10 Final Judgment.

11 **VIII.**

12 There being no just reason for delay, pursuant to Rule 54(b) of the Federal
13 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith
14 and without further notice.

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16 Dated: June 1, 2018



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18 HON. ANDREW P. GORDON
19 UNITED STATES DISTRICT JUDGE
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